

STATE OF MAINE

IN THE YEAR OF OUR LORD  
TWO THOUSAND AND THIRTEEN

S.P. 401 - L.D. 1164

**An Act To Allow Cooperative Housing Owners Who Are Blind To Qualify  
for the Property Tax Exemption**

**Mandate preamble.** This measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues but does not provide funding for at least 90% of those expenditures. Pursuant to the Constitution of Maine, Article IX, Section 21, 2/3 of all of the members elected to each House have determined it necessary to enact this measure.

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 36 MRSA §654**, as amended by PL 2003, c. 686, §1, is repealed.

**Sec. 2. 36 MRSA §654-A** is enacted to read:

**§654-A. Estates of legally blind persons**

**1. Exemption.** The residential real estate up to the just value of \$4,000 of inhabitants of the State who are legally blind as determined by a properly licensed Doctor of Medicine, Doctor of Osteopathy or Doctor of Optometry is exempt from taxation.

**2. Revocable living trust.** The exemption provided by subsection 1 also applies to residential real estate held in a revocable living trust for the benefit of and occupied as a permanent residence by a person who is legally blind.

**3. Cooperative housing.** A cooperative housing corporation is also entitled to an exemption under subsection 1 to be applied against the valuation of property of the corporation that is occupied by qualifying shareholders. An application for exemption must include a list of all qualifying shareholders and any information required by the municipality to verify eligibility of qualifying shareholders and the applicable exemption amount. The application must be updated annually to reflect changes in eligibility. The exemption is equal to the total amount calculated under subsection 1 as if the qualifying shareholders were owners of the property. A cooperative housing corporation that receives an exemption pursuant to this subsection shall apportion the property tax reduction resulting from the exemption among the qualifying shareholders according to

the proportion of the total exemption that each qualifying shareholder would be entitled to if the qualifying shareholder were the owner of the property. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies. For the purposes of this subsection, the following terms have the following meanings.

A. "Cooperative housing corporation" means an entity organized for the purpose of owning residential real estate in which residents own shares that entitle them to inhabit a designated space within a residential dwelling.

B. "Qualifying shareholder" means a person who is a shareholder in a cooperative housing corporation who would qualify for an exemption under subsection 1 if the person were the owner of the property.

**4. Multiple properties.** If a person entitled to the exemption under this section has property taxable in more than one place in this State, the proportion of the total exemption must be made in each place as the value of the property taxable in that place bears to the value of the whole of the property of that person taxable in the State.

**5. Fraudulent transfer.** Property conveyed to a person for the purpose of obtaining exemption from taxation under this section is not exempt. A person who makes a conveyance for the purpose of obtaining the exemption commits fraud and is subject to a fine of not less than \$100 and not more than 2 times the amount of the taxes evaded by such fraudulent conveyance, whichever amount is greater.

**Sec. 3. 36 MRSA §683, sub-§2,** as enacted by PL 1997, c. 643, Pt. HHH, §3 and affected by §10, is amended to read:

**2. Exemption in addition to other exemptions.** The exemption provided in this subchapter is in addition to the exemptions provided in sections 653 and ~~654~~ 654-A.

**Sec. 4. Appropriations and allocations.** The following appropriations and allocations are made.

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF  
Revenue Services, Bureau of 0002**

Initiative: Provides an ongoing General Fund appropriation to reimburse municipalities 50% of the property tax revenue lost due to a new property tax exemption for the legally blind.

<b>GENERAL FUND</b>	<b>2013-14</b>	<b>2014-15</b>
All Other	\$160	\$160
<b>GENERAL FUND TOTAL</b>	<hr/> \$160	<hr/> \$160